

Policies, Institutions, and Markets CGIAR Research Program**Financial Management Policy****Effective July 1, 2019**

1) Carryover of Window 1-2 funds from one year to the next

Decisions about carryover of W1-2 funding allocated to non-CGIAR “managing” partners (KIT, MSU, Oxford University, WUR...) are taken by the PMU on a case by case basis.

Carryover of W1-2 funding allocated to CGIAR Centers and IFPRI Divisions is subject to the rules described below. Exceptions to these rules can be made for W1-2 funds allocated during supplemental allocation processes during the year and through the Gender Platform’s research calls.

Carryover rules

- Up to 10% of each entity’s research budget by flagship can be carried over from one year to the next. That is, IFPRI Division X or non-IFPRI Center Y can carry over a max of 10% of their flagship research budget, in each flagship that Division X or non-IFPRI Center Y participates in.
- Management budgets cannot be carried over.
- Carryover funding cannot be re-allocated across funding sources – e.g. a Center/IFPRI Division cannot carry over unspent funds from one funding source (activity) for use in the next year for another funding source (activity). Unspent funds that were set aside in a flagship-level reserve can be carried over to the same reserve in the next year. For modalities of transfer from one funding source to another funding source, see 2) below.
- Carryover needs to be approved first by the flagship and then by the PMU based on a justification for each activity for which carryover is requested, i.e. it is not automatic.
- For carryover to be considered, each flagship leadership team needs to submit a request to the PMU (aggregating requests for all entities that participate in the flagship), including, for each funding source/activity: annual budget, projected unspent amount, reasons for underspending, and flagship leadership’s recommendation; the PMU will provide a template for these requests.
- Flagship leadership teams may propose for consideration by the PMU a different distribution of the carryover between the entities that participate in the flagship, provided that 1) the total carryover amount does not exceed 10% of the initial flagship allocation, and 2) the proposed distribution is agreed upon by all entities that participate in the flagship.
- Each Center/IFPRI Division will be notified by the PMU of the decision about the allowed carry over amount(s) by flagship.
- The amount of carryover that is proposed at the end of a year is subject to confirmation of actual amount in the first quarter of the following year when financial books have been closed for the year.
- In cases when the amount of projected underspending is particularly uncertain, carryover requests may be submitted for flexible (maximum) amounts (within the 10% limit). In this case the final amount of the authorized carryover will be confirmed based on the actual spending.
- In case an entity’s spending exceeds the budget allocation for one of several activity(ies), the total overspent amount will be deducted from the unspent amount at the entity level – so that the authorized carryover amount for the entity stays lower than the net amount unspent by that entity.

2) Cross-activity transfers during the year

The following rules apply to all W1-2 funds allocated by PIM:

- Each entity (CGIAR Center, IFPRI Division or non-CGIAR managing partner) must seek approval from the PMU to make material changes to its annual work plan. This includes changes to the planned delivery (timeline, nature/substance of deliverables), to the partners responsible for delivery, and to the location of the work.
- If these changes have a financial component (for instance, a need to transfer W1-2 funding from one funding source to another funding source), the entity needs to submit a request to the PMU with cc to the flagship/cluster/project leadership including the rationale and details of the requested changes in allocations as well as a brief update about the spending of the relevant funding sources and the status of the corresponding planned deliverables.
- Flagship leadership may submit similar requests to the PMU, as long as they are agreed with (and copied to) the entities affected by the changes.
- The deadline for submitting such requests for a given year is September 1 of that year.
- Depending on the extent of and justifications for the requested changes, the PMU may consult with the MC before making a decision.
- Once changes have been agreed, the PMU is responsible for notifying the entity (Center representative, entity's financial officer...), the flagship/cluster/project leadership and the flagship manager in order to ensure that the records are updated and the contracts amended to reflect the changes.

3) Updates to and communication of the policy

This policy may be revised periodically, and updates will be shared with the PIM flagship/cluster/project leaders, flagship managers, Center representatives, Center financial officers, and PIs of cross-cutting W1-2 allocations (partnerships, capacity building, etc.)